THOMAS L. SANSONETTI LODGED Assistant Attorney General CLERK, U.S DISTRICT COURT ERK US D STRICT COURT United States Department of Justice FILED Environment and Natural Resources Division SEP 1 6 2002 3 DAVID B. GLAZER 11-14-02 Environmental Enforcement Section CENTRAL DISTRICT OF/CALIFORNIAS MARK A. RIGAU DEPUTY Environmental Defense Section Environment and Natural Resources Division United States Department of Justice 6 Priority 301 Howard Street, Suite 1050 Send 7 San Francisco, California 94105 berer Telephone: (415) 744-6491 Closed Facsimile: (415) 744-6476 8 18-6 JS-2 JS-3 -DEBRA W. YANG Scan Only -United States Attorney Central District of California LEON W. WEIDMAN 11 Assistant United States Attorney Chief, Civil Division 12 SUZETTE CLOVER Assistant United States Attorney California State Bar # 89066 13 Room 7516, Federal Building 14 300 North Los Angeles Street Los Angeles, California Telephone: (213) 894-2442 15 Facsimile: (213) 894-7819 16 Attorneys for the United States of America 17 UNITED STATES DISTRICT COURT 18 FOR THE CENTRAL DISTRICT OF CALIFORNIA 19 WESTERN DIVISION 20 UNITED STATES OF AMERICA, NO. CV 98-7226-SVW (RNBx) 21 Plaintiff, 22 23 CONSENT DECREE BUENA VISTA MINES, INC., a California corporation, HAROLD J. BIAGGINI, and EDWARD C. BIAGGINI, III 25 26 Defendants. 27 AND RELATED COUNTERCLAIMS AND CROSS-CLAIMS 28

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I. BACKGROUND

The United States of America ("United States"), on behalf of the Administrator of the United States Environmental Protection Agency ("EPA"), filed a complaint in this matter pursuant to Section 309(b) and (d) of the Clean Water Act ("CWA"), 33 U.S.C. §§ 1319(b) and (d), for injunctive relief and assessment of civil penalties for the discharge of pollutants in violation of certain conditions of the National Pollutant Discharge Elimination System ("NPDES") permits issued to Buena Vista Mines, Inc. The United States' complaint was subsequently amended to add, in lieu of the CWA counts, claims under Sections 106 and 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9606 and 9607, as amended ("CERCLA"), seeking injunctive relief, civil penalties, treble damages, and reimbursement of response costs incurred or to be incurred for response actions taken or to be taken at or in connection with the release or threatened release of hazardous substances at the Buena Vista/Klau Mine Superfund Site in San Luis Obispo County, California ("the Site").

- B. The Parties (as defined below) agree that the CWA counts identified in the original complaint are dismissed with prejudice.
- C. Defendants Harold J. Biaggini, Edward C. Biaggini, III, and Buena Vista Mines, Inc. ("Settling Defendants") do not admit any liability to the United States arising out of the transactions or occurrences alleged in the complaint. The

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2 i Settling Defendants brought counterclaims in this matter against the United States under CERCLA asserting that the United States is liable at the Site. The United States does not admit any liability to the Settling Defendants arising out of the transactions or occurrences alleged in the counterclaims. Third-party defendant County of San Luis Obispo does not admit any liability to the Settling Defendants (or to the United States) arising out of the transactions or occurrences alleged in the third-party complaint brought by the Settling Defendants.

- D. The Settling Defendants have asserted their inability to pay the full amount of the United States' response costs. The United States has reviewed the Financial Information submitted by the Settling Defendants to determine whether they are financially able to pay response costs incurred and to be incurred at the Site. Based upon this Financial Information, the United States has determined that the Settling Defendants are able to pay the amount specified in Section VI.
- E. EPA conducted a Preliminary Assessment/Site Investigation of the Site and has preliminarily scored the Site using the Hazard Ranking System. EPA has determined that the Site scores high enough to make it eligible for the National Priorities List.
- F. The Parties agree, and this Court by entering this
 Consent Decree finds, that this Consent Decree has been
 negotiated by the Parties in good faith, that settlement of this
 matter will avoid prolonged and complicated litigation between
 the Parties, and that this Consent Decree is fair, reasonable,

and in the public interest.

THEREFORE, with the consent of the Parties to this Decree, it is ORDERED, ADJUDGED, AND DECREED:

II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. §§ 9606, 9607 and 9613(b) and also has personal jurisdiction over Settling Parties (as defined below). The Settling Parties consent to and shall not challenge entry of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

III. PARTIES BOUND

2. This Consent Decree is binding upon the United States, and upon the Settling Parties and their successors and assigns. Any change in ownership or corporate or other legal status, including, but not limited to, any transfer of assets or real or personal property, shall in no way alter the status or responsibilities of the Settling Parties under this Consent Decree.

IV. DEFINITIONS

3. Unless otherwise expressly provided herein, terms used in this Consent Decree which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Consent Decree or in any appendix attached hereto, the following definitions shall apply:

- a. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.
- b. "Consent Decree" shall mean this Consent Decree and all appendices attached hereto. In the event of conflict between this Consent Decree and any appendix, this Consent Decree shall control.
- c. "Day" shall mean a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.
- d. "DOJ" shall mean the United States Department of Justice and any successor departments, agencies or instrumentalities of the United States.
- e. "EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.
- f. "EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.
- g. "Existing Contamination" shall mean any hazardous substances, pollutants or contaminants, present or existing on or under the Site, or that have migrated from the Site, as of the effective date of this Agreement, or that migrate from the Site after the effective date of this Agreement.

h. "Fair Market Value" shall, except in the event of a foreclosure or transfer by deed or other assignment in lieu of foreclosure, mean the price at which the Property or any portion thereof would change hands between a willing buyer and a willing seller under actual market conditions, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. In the event of a transfer by foreclosure, "Fair Market Value" shall mean the amount obtained at the foreclosure sale. In the event of a transfer by a deed or other assignment in lieu of foreclosure, "Fair Market Value" shall mean the balance of the mortgage on the Property or any portion thereof at the time of the transfer.

- i. "Financial Information" shall mean the financial documents submitted to the United States by the Settling Defendants as identified in Appendix A.
- j. "Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.
- k. "Net Sales Proceeds" shall mean the total value of all consideration received by Buena Vista Mines, Inc. for each Transfer (or if the consideration cannot be determined, the Fair Market Value of the Property or any portion thereof) less (i) the

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balance of mortgages and liens on the Property or any portion thereof (other than any mortgage held by one of the Settling Defendants), (ii) closing costs (including appraisal costs and real estate commissions incurred by a California-licensed real estate broker other than one of the Settling Defendants) limited to those reasonably incurred and actually paid by Buena Vista Mines, Inc. associated with the Transfer of the Property or any portion thereof, and (iii) federal and state taxes owed on the proceeds. Buena Vista Mines, Inc. shall provide EPA with documentation sufficient to show the total value of all consideration received by Buena Vista Mine, Inc. for each Transfer (or if the consideration cannot be determined, the Fair Market Value of the Property or any portion thereof) at the time of each Transfer, the amount of the proceeds of the Transfer, and the amounts corresponding to items (i) through (iii) above. documentation shall include, but not be limited to, the report of an appraisal (to be paid for by Buena Vista Mines, Inc., but deductible as part of the closing costs as set forth above), performed by a California-licensed appraiser. The documentation shall also include, either as part of the report or separately, (1) a tax statement showing the assessed valuation of the Property or any portion thereof for each of the three years immediately preceding the Transfer and (2) a schedule showing all outstanding indebtedness on the Property or any portion thereof.

l. "Paragraph" shall mean a portion of this Consent

Decree identified by an Arabic numeral or an upper or lower case

letter.

m. "Parties" shall mean the United States and the Settling Parties.

- n. "Plaintiff" shall mean the United States.
- o. "Property" shall mean the parcels of land described in Appendix B.
- p. "RCRA" shall mean the Solid Waste Disposal Act, 42 U.S.C. § 6901, et seq. (also known as the Resource Conservation and Recovery Act).
- q. "Section" shall mean a portion of this Consent Decree identified by a Roman numeral.
- r. "Settling Defendants" shall mean Buena Vista Mines, Inc., Harold J. Biaggini, and Edward C. Biaggini III.
- s. "Settling Parties" shall mean the Settling
 Defendants and the County of San Luis Obispo.
- t. "Site" shall mean the Buena Vista/Klau Mine
 Superfund site in San Luis Obispo County, California, generally
 designated as Township 26S and 27S, Range 10E, Sections 2, 3, 4,
 33, and 34 of the U.S. Geological Survey Series ("USGS"), Mount
 Diablo Base & Meridian, Adelaida 15 minute Quadrangle and
 Township 26S, Range 10E, Section 33 USGS Mount Diablo Base &
 Meridian, Adelaida 15 minute Quadrangle. The "Site" includes all
 County or public roads or rights-of-way within these general
 boundaries.
- u. "Transfer" shall mean each sale, assignment, conveyance, or exchange by Buena Vista Mines, Inc. (or its

successors or heirs) of the Property, or any portion thereof, or of an entity owning the Property or any portion thereof, where title to the Property (or any portion or interest thereof) or to the entity owning the Property or any portion thereof (i) is transferred and Fair Market Value is received in consideration, or (ii) is transferred involuntarily by operation of law, including foreclosure and its equivalents following default on the indebtedness secured, in whole or in part, by the Property, or any portion thereof, including, but not limited to, a deed or other assignment in lieu of foreclosure. A Transfer does not include a transfer pursuant to an inheritance or a bequest.

v. "United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

V. STATEMENT OF PURPOSE

4. By entering into this Consent Decree, the mutual objective of the Parties is to resolve the alleged liabilities of the Parties at the Site as provided in the Covenant Not to Sue by Plaintiff in Section IX, the Covenant Not to Sue by the Settling Parties in Section XI, and subject to the Reservations of Rights by United States in Section X. With respect to the County of San Luis Obispo, the cash payment made in accordance with Section VI, below, includes a premium.

VI. PAYMENT OF RESPONSE COSTS

5. Within forty-five (45) days of notice of entry of this Consent Decree, Settling Defendants shall pay to the EPA

Five Hundred Thousand Dollars (\$500,000) and the County of San Luis Obispo shall pay to the EPA One Hundred Thousand Dollars (\$100,000).

- 6. Payments shall be made by FedWire Electronic Funds Transfer ("EFT") to the U.S. Department of Justice account in accordance with current EFT procedures, referencing the EPA Region and Site Spill ID Number 09FM and DOJ Case Number 90-5-1-1-4467/1. Payments shall be made in accordance with instructions provided to Settling Parties by the Financial Litigation Unit of the U.S. Attorney's Office in Central District of California following lodging of the Consent Decree.
- 7. At the time of payment, the Settling Parties shall send notice that payment has been made to EPA and DOJ in accordance with Section XVI (Notices and Submissions) and to Joseph Schmidt, U.S. EPA, Chief, General Accounting Section, Policy and Management Division (PMD-5), 75 Hawthorne Street, San Francisco, California 94105.
- 8. The total amount to be paid pursuant to Paragraph 5 shall be deposited in the Buena Vista/Klau Mine Site Special Account within the EPA Hazardous Substance Superfund to be retained and used as needed to conduct or finance response actions at or in connection with the Site or, if no longer needed to conduct or finance such response actions, to be transferred by EPA to the EPA Hazardous Substance Superfund.
- 9. <u>Payment of Proceeds of Sale of Property</u>. Buena Vista Mines, Inc. agrees that it will not sell, assign, convey,

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encumber, or exchange the Property, or any portion thereof except by means of a Transfer. Such Transfer shall not occur until any easement or covenant required under Section XIII of this Decree is recorded as required by that Section.

- a. In addition to the payment made under Paragraph 5, Buena Vista Mines, Inc. shall pay to the United States 66 and 2/3% of the Net Sales Proceeds of the Transfer of the Property or any portion thereof occurring on or after January 1, 2002. Payments shall be made to the United States, as set forth in Subparagraph b, below, within thirty (30) days of the effective date of the Transfer of the Property or portion of the Property, or thirty (30) days after entry of this Consent Decree in the case of Transfers occurring between January 1, 2002 and entry of this Consent Decree.
- b. Payments under Subparagraph a, above, shall be made to the United States in the following priority:
- (i) to EPA in an amount equal to the then outstanding balance of its response costs; then
- (ii) in the event that additional proceeds remain, that amount shall be divided evenly between EPA and BLM, unless otherwise agreed to by those agencies.
- Payment to EPA shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund." The check, or a letter accompanying the check, shall identify the name and address of the party making payment, the Site name, the EPA Region and Site/Spill ID # 09FM, and DOJ Case Number 90-5-1-1-

4467/1, and shall be sent to:

Mellon Bank, EPA Region 9 Superfund Accounting Attn: P.O. Box 360863M Pittsburgh, Pennsylvania 15251

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Payment to EPA shall be deposited in accordance with Paragraph 8, Payment made to BLM shall be by certified or cashier's check made payable to the Central Hazardous Materials Fund ("CHF") of the Department of the Interior for deposit into the CHF, to be used for the costs of response actions at the Site. Payment to BLM shall be sent to:

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Central Hazardous Materials Fund Account No. 2645 c/o National Business Center U.S. Bureau of Land Management BC 610 P.O. Box 25047 Building 50, Denver Federal Center Lakewood, Colorado 80225

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Buena Vista Mines, Inc. shall send all notices that payment has been made in accordance with Paragraph 7, above.

This provision is not intended to provide payments to the United States in excess of the amount of response costs 20 incurred and to be incurred by the United States at the Site. Ιn the event that more than \$ 3.5 million is paid to the United 21 States pursuant to this provision, documentation as provided by 23 this paragraph will be provided to support the costs in excess of 24 \$3.5 million. EPA will provide an itemized cost summary based on the information obtained in EPA's Superfund Cost Recovery Package 25 Imaging and On-line System ("SCORPIOS"), or an equivalent system, 26

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provide an itemized cost summary, documenting the additional costs incurred by BLM. Each agency incurring costs will provide its cost accounting on a periodic basis after such costs are incurred.

- At least thirty (30) days prior to any such Transfer, Buena Vista Mines, Inc. shall notify the United States of the proposed transfer, which notice shall include a description of the property to be sold, the identity of the purchaser, the terms of the transfer, the consideration to be paid, and a copy of the Transfer agreement. The proposed sales price must be at least equal to the Fair Market Value of the Property or any portion thereof based upon an appraisal obtained within one (1) year of the Transfer, unless the United States agrees that a lesser price is appropriate under the circumstances. Buena Vista Mines, Inc. shall notify the United States of the completion of the Transfer within the (10) days of the date of closing and shall include with such notification a copy of the closing binder, including final executed documentation for the conveyance and a work sheet setting forth the Net Sales Proceeds and the amount payable to EPA.
- e. In the event of a Transfer of the Property or any portion thereof, Buena Vista Mines, Inc. shall continue to be bound by all the terms and conditions, and subject to all the benefits, of this Consent Decree, except if the United States and Settling Defendants modify this Consent Decree in writing.

LEFECTURE TRUE TOUR TOURS INTERNAL DAY

Nothing in this Paragraph obligates Buena Vista Mines, Inc. to Transfer the Property or any portion thereof.

VII. FAILURE TO COMPLY WITH CONSENT DECREE

10. <u>Interest on Late Payments</u>. If either the Settling Defendants or the County of San Luis Obispo fails to make its payment under Paragraph 5 by the required due date, Interest shall continue to accrue on the unpaid balance through the date of payment.

11. Stipulated Penalty.

- a. If any amounts due under Paragraph 5 are not paid by the required date, the Settling Party that is responsible for payment shall be in violation of this Consent Decree and shall pay, as a stipulated penalty, in addition to the Interest required by Paragraph 10, \$750 per violation per day that such payment is late.
- b. Stipulated penalties are due and payable within thirty (30) days of the date of the demand for payment of the penalties by EPA. All payments to EPA under this Paragraph shall be identified as "stipulated penalties" and shall be made by certified or cashier's check made payable to "EPA Hazardous Substance Superfund." The check, or a letter accompanying the check, shall reference the name and address of the party making payment, the Site name, the EPA Region and Site Spill ID Number 09FM, and DOJ Case Number 90-5-1-1-4467/1, and shall be sent to:

Mellon Bank, EPA Region 9 Attn: Superfund Accounting P.O. Box 360863M Pittsburgh, Pennsylvania 15251

- c. At the time of each payment, the Settling Party responsible for payment shall send notice that payment has been made to EPA and DOJ in accordance with Section XVI (Notices and Submissions) and to Joseph Schmidt, U.S. EPA, Chief, General Accounting Section, Policy and Management Division (PMD-5), 75 Hawthorne St., San Francisco, CA. 94105.
- d. Penalties shall accrue as provided in this
 Paragraph regardless of whether EPA has notified the delinquent
 Settling Party of the violation or made a demand for payment, but
 need only be paid upon demand. All penalties shall begin to
 accrue on the day after payment is due and shall continue to
 accrue through the date of payment. Nothing herein shall prevent
 the simultaneous accrual of separate penalties for separate
 violations of this Consent Decree.
- 12. If the United States brings an action to enforce this Consent Decree, the delinquent Settling Party(ies) shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time, subject to the Settling Party's(ies') statutory rights under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended.
- 13. Payments made under this Section shall be in addition to any other remedies or sanctions available to Plaintiff by virtue of any Settling Party's failure to comply with the requirements of this Consent Decree.
- 14. Notwithstanding any other provision of this Section, the United States may, in its unreviewable discretion,

waive payment of any portion of the stipulated penalties that have accrued pursuant to this Consent Decree. Payment of stipulated penalties shall not excuse any delinquent Settling Party from payment as required by Section VI or from performance of any other requirements of this Consent Decree.

VIII. NOTICE OF FEDERAL LIEN

- 15. EPA shall file a Notice of Federal Lien against the portion of the Site owned by Buena Vista Mines, Inc. in the County Clerk-Recorder's Office, San Luis Obispo County, State of California. Such Notice of Federal Lien shall reflect the terms set out in Paragraph 9, above, and refer to the EPA access and institutional control authorities in Section XIII of the Consent Decree.
- 16. Within sixty (60) days after closing occurs on the sale of the portion of the Site owned by Buena Vista Mines, Inc., EPA shall file a Release of Notice of Federal Lien in the County Clerk-Recorder's Office, San Luis Obispo County, State of California. The Release of Notice of Federal Lien shall release the Notice of Federal Lien and shall not release any other lien or encumbrance which may exist upon the Site.

IX. COVENANT NOT TO SUE BY PLAINTIFF

17. Except as specifically provided in Section X (Reservation of Rights by United States), the United States covenants not to sue or to take administrative action against the Settling Parties, or their employees acting in their capacities as such, pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C.

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§§ 9606 and 9607(a), with regard to the Site or the Existing 1 2 Contamination. With respect to present and future liability, this covenant shall take effect upon receipt by EPA of all amounts required by Paragraph 5 of Section VI (Payment of Response Costs) and any amount due under Section VII (Failure to Comply with Consent Decree). This covenant not to sue is conditioned upon the satisfactory performance by the Settling Parties of their obligations under this Consent Decree. covenant not to sue is also conditioned upon the veracity and completeness of the Financial Information provided to EPA by the Settling Defendants. If the Financial Information is subsequently determined by EPA to be false or, in any material respect, inaccurate, the Settling Defendants shall forfeit all payments made pursuant to this Consent Decree and this covenant not to sue and the contribution protection in Paragraph 26 shall 16 be null and void. Such forfeiture shall not constitute liquidated damages and shall not in any way foreclose the United States' right to pursue any other causes of action arising from the Settling Defendants' false or materially inaccurate informa-19 This covenant not to sue extends only to the Settling Parties and does not extend to any other person. 21

Χ. RESERVATION OF RIGHTS BY UNITED STATES

18. The United States reserves, and this Consent Decree is without prejudice to, all rights against the Settling Parties with respect to all matters not expressly included within the Covenant Not to Sue by United States in Paragraph 17.

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DEFINITION TO THE TOTAL STREET

Notwithstanding any other provision of this Consent Decree, the United States reserves all rights against the Settling Parties with respect to:

- a. liability for failure of any Settling Party to meet a requirement of this Consent Decree;
 - b. criminal liability;
- c. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;
- d. liability resulting from conduct by the Settling Parties, their successors, assignees, lessees or sublessees, that exacerbates Existing Contamination;
- e. liability resulting from the release or threat of release of hazardous substances, pollutants or contaminants at or from the Site after the effective date of this Agreement, not within the definition of Existing Contamination;
- f. liability arising from the past, present, or future disposal, release or threat of release of a hazardous substance, pollutant, or contaminant outside of the Site, not within the definition of Existing Contamination; and
- g. any and all contribution claims that may be brought against Buena Vista Mines, Inc. by the United States associated with the dam and reservoir located on public lands managed by the Bureau of Land Management adjacent to and south of the Buena Vista Mine (Lot 37), in the event the State of California, or any of its departments or agencies, undertakes an action against the

United States regarding those public lands.

- 19. Notwithstanding any other provision of this Consent Decree, EPA reserves, and this Consent Decree is without prejudice to, the right to reinstitute or reopen this action, or to commence a new action seeking relief other than as provided in this Consent Decree, if the Financial Information provided by the Settling Defendants, or the financial certification made by the Settling Defendants in Paragraph 34, is false or, in an material respect, inaccurate.
- 20. Notwithstanding the covenant not to sue set forth in Paragraph 17 above, or any other provision of this Consent Decree, the United states reserves its rights to respond to contamination, whether Existing Contamination or other contamination, at or from the Site whenever response may be necessary to protect human health or the environment. Such response may include requiring that Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) implement deed restrictions or similar controls that run with the land to prevent or restrict a particular use of the Site.

XI. COVENANT NOT TO SUE BY THE SETTLING PARTIES

21. The Settling Parties covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Site, the Existing Contamination, or this Consent Decree, including but not limited to:

- a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 UPS.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or
- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

Except as provided in Paragraph 23 (Waiver of Claims) and Paragraph 28 (Waiver of Claim-Splitting Defenses), these covenants not to sue shall not apply in the event the United States brings a cause of action or issues an order pursuant to the reservations set forth in Paragraph 18(c) - (g), or the State of California brings an action for natural resource damages, but only to the extent that any claim brought by a Settling Party arises from the same response action, response costs, or damages action that the United States or the State of California is seeking pursuant to the applicable reservation.

22. Nothing in this Consent Decree shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

- 23. Subject to Paragraph 21, the Settling Parties agree not to assert any CERCLA claims or causes of action that they may have for all matters relating to the Site or the Existing Contamination, including for contribution, against any other person, unless such person asserts a claim or cause of action relating to the Site or the Existing Contamination against a Settling Party.
- 24. The pending counterclaims brought by the Settling Defendants are hereby dismissed with prejudice, subject to the reservations set forth in Paragraph 21 and Paragraph 23, above.

XII. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

- 25. Except as provided in Paragraph 23 (Waiver of Claims), nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Decree. The preceding sentence shall not be construed to waive or nullify any rights that any person not a signatory to this Decree may have under applicable law. Except as provided in Paragraph 23, the Parties expressly reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action which they may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.
- 26. The Parties agree, and by entering this Consent

 Decree this Court finds, that the Settling Parties and the United

 States, including the United States Department of Interior and

the United States Army Corps of Engineers, are entitled, as of the date of entry of this Consent Decree, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), for "matters addressed" in this Consent Decree. The "matters addressed" in this Consent Decree are all response actions taken or to be taken and all response costs incurred or to be incurred, at or in connection with the Site or the Existing Contamination, by the United States The "matters addressed" in this Consent or any other person. Decree do not include those response costs or response actions as to which the Settling Parties have reserved their rights under this Consent Decree (except for claims for failure to comply with this Decree), in the event that a Settling Party asserts such rights against another Settling Party coming within the scope of such reservations.

- 27. The Settling Parties also agree that, with respect to any suit or claim for contribution brought against them for matters related to this Consent Decree, they will notify EPA and DOJ in writing within twenty (20) days of service of the complaint or claim upon it. In addition, the Settling Parties shall notify EPA and DOJ within twenty (20) days of service or receipt of any Motion for Summary Judgment, and within twenty (20) days of receipt of any order from a court setting a case for trial, for matters related to this Consent Decree.
- 28. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief,

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recovery of response costs, or other relief relating to the Site, including any such subsequent proceeding where the Settling Defendants may assert claims against the United States as provided in this Consent Decree, the Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the Covenant Not to Sue by Plaintiff set forth in Section IX.

XIII. ACCESS AND INSTITUTIONAL CONTROLS

- 29. If access to the Site by EPA is needed to implement response activities at the Site, EPA will provide at least ten (10) days advance written notice to Buena Vista Mines, Inc. of its planned activities. If written notice within ten (10) days is not practicable, telephone notice within less than ten (10) days' time will suffice.
- 30. If access and/or land/water use restrictions are needed to implement response activities at the Site, Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall:
- a. commencing on the date of lodging of this Consent Decree, provide the United States and its representatives, including EPA and its contractors, with access at all reasonable

times to the Site for the purpose of conducting any response activity related to the Site, including, but not limited to, the following activities:

- 1. monitoring, investigation, removal, remedial or other activities at the Site;
- 2. verifying any data or information submitted to the United States;
- 3. conducting investigations relating to contamination at or near the Site;
 - 4. obtaining samples;
- 5. assessing the need for, planning, or implementing additional response actions at or near the Site; and
- 6. determining whether the Site or other property is being used in a manner that is prohibited or restricted, or that may need to be prohibited or restricted, by or pursuant to this Consent Decree;
- b. commencing on the date of lodging of this Consent Decree, refrain from using the Site, or such other property, in any manner that would interfere with or adversely affect the implementation, integrity or protectiveness of the removal or remedial measures performed or to be performed at the Site; and
- c. If EPA so requests, execute and record in the Recorder's Office of San Luis Obispo County, State of California, an easement or covenant, running with the land, that (i) grants a right of access for the purpose of conducting response activities

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at the Site and (ii) grants the right to enforce such land/water use restrictions as EPA may determine are necessary to implement, ensure non-interference with, or ensure the protectiveness of the response actions to be performed at the Site. Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall grant the access rights and the rights to enforce the land/water use restrictions to one or more of the following persons, as determined by EPA: (i) the United States, on behalf of EPA, and its representatives, (ii) the State and its representatives, and/or (iii) other appropriate grantees. easement or covenant shall be enforceable under the laws of the State of California and acceptable under the Attorney General's Title Regulations promulgated pursuant to 40 U.S.C. 255. to recording the easement or covenant, Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall provide EPA the opportunity to review and approve the proposed easement or covenant to ensure that it contains the necessary legal requirements, including the applicable rights of access or institutional controls. Upon EPA's request, Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall provide a current title commitment or report prepared in accordance with the U.S. Department of Justice Standards for the Preparation of Title Evidence in Land Acquisitions by the United States (1970) ("Standards"). Within fifteen (15) days of EPA's approval and acceptance of the easement or covenant, Buena Vista Mines, Inc.

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or its successors (acting through their officers or agents, as necessary) shall update the title search and, if it is determined that nothing has occurred since the effective date of the commitment or report to affect the title adversely, record the easement or covenant with the Recorder's Office of San Luis Obispo County. Within thirty (30) days of recording the easement or covenant, Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall provide EPA with final title evidence acceptable under the Standards and a certified copy of the original recorded easement or covenant showing the clerk's recording stamp.

- 31. If EPA determines that land/water use restrictions in the form of state or local laws, regulations, ordinances or other governmental controls, are needed to implement response activities at the Site, ensure the integrity and protectiveness thereof, or ensure non-interference therewith, Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) shall cooperate with EPA's efforts to secure such land/water use restrictions.
- 32. Notwithstanding any provision of this Consent Decree, the United States retains all of its access authorities and rights, as well as all of its rights to require land/water use restrictions, including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statute or regulations.

XIV. COOPERATION

implementation of any future response actions at the Site may interfere with its use of the Site and may require closure of any operations or a part thereof. Buena Vista Mines, Inc. or its successors (acting through their officers or agents, as necessary) agree to cooperate fully with EPA in the implementation of response actions at the Site and further agree not to interfere with such response actions. EPA agrees, consistent with its responsibilities under applicable law, to use reasonable efforts to minimize any interference with Buena Vista Mines, Inc.'s (or its successor's) operations by such entry and response.

XV. CERTIFICATION

- 34. Each of the Settling Defendants hereby certify that, to the best of its knowledge and belief, after thorough inquiry, it has:
- a. not altered, mutilated, discarded, destroyed or otherwise disposed of any records, reports, or other information relating to its potential liability regarding the Site since notification of potential liability by the United States or the State or the filing of suit against it regarding the Site, and that it has fully complied with any and all EPA requests for information regarding the Site and Settling Defendants' financial circumstances pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42

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U.S.C. § 6927; and

b. as to each of the Settling Defendants, submitted to EPA Financial Information that fairly, accurately, and materially sets forth its financial circumstances, and that those circumstances have not materially changed between the time the Financial Information was submitted to EPA and the time the Settling Defendants execute this Consent Decree.

XVI. NOTICES AND SUBMISSIONS

35. Whenever, under the terms of this Consent Decree, notice is required to be given or a document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Consent Decree with respect to the United States, EPA, DOJ, and the Settling Parties, respectively.

As to the United States:

As to DOJ:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice (DJ # 90-5-1-1-4467/1)
P.O. Box 7611

22 Washington, D.C. 20044-7611

23 | and

David B. Glazer

Mark A. Rigau

Environment and Natural Resources Division
United States Department of Justice

301 Howard Street, Suite 1050
San Francisco, California 94105

```
As to EPA:
   Buena Vista/Klau Mine Site Attorney
   U.S. Environmental Protection Agency
  Office of Regional Counsel (ORC-3)
   75 Hawthorne Street
   San Francisco, California 94105
5 | and
6 Joseph Schmidt
   Chief, General Accounting Section
   U.S. Environmental Protection Agency
   Policy and Management Division (PMD-5)
   75 Hawthorne Street
8
   San Francisco, California 94105
9
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   As to BLM:
   Central Hazardous Materials Fund
11
   Account No. 2645
   c/o National Business Center
12
   U.S. Bureau of Land Management
13
   BC 610
   P.O. Box 25047
   Building 50, Denver Federal Center
14
   Lakewood, Colorado 80225
15
16
        As to Settling Defendants:
17
   As to Buena Vista Mines, Inc.:
   1148 Market Avenue
   Morro Bay, California 93442
19
   Telephone: (805) 772-2158
   As to Harold J. Biaggini:
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   1148 Market Avenue
21
   Morro Bay, California
                           93442
   Telephone: (805) 772-2158
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   As to Edward C. Biaggini, III:
   1148 Market Avenue
   Morro Bay, California 93442
   Telephone: (805) 772-5453
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As to County of San Luis Obispo:

Noel King Director of Public Works County of San Luis Obispo Room 207 County Government Center San Luis Obispo, California 93408

XVII. RETENTION OF JURISDICTION

36. This Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Consent Decree and resolving disputes among the Parties arising under the Decree.

XVIII. INTEGRATION/APPENDICES

37. This Consent Decree and its appendices constitute the final, complete and exclusive Consent Decree and understanding between the Parties with respect to the settlement embodied in this Consent Decree. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Consent Decree. The following appendices are attached to and incorporated into this Consent Decree:

"Appendix A" is a list of the financial documents submitted to EPA by Settling Defendants; and

"Appendix B" is a list of the property owned by Buena Vista Mines, Inc.

XIX. LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

38. This Consent Decree shall be lodged with the Court for a period of not less than thirty (30) days for public notice

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and comment. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Consent Decree disclose facts or considerations which indicate that this Consent Decree is inappropriate, improper, or inadequate. The Settling Parties consent to the entry of this Consent Decree without further notice.

39. If for any reason this Court should decline to approve this Consent Decree in the form presented, this Consent Decree is voidable at the sole discretion of any Party and the terms of the Consent Decree may not be used as evidence in any litigation between the Parties.

XX. SIGNATORIES/SERVICE

- 40. Each undersigned representative of the Settling Parties and the Assistant Attorney General for the Environment and Natural Resources Division of the United States Department of Justice certifies that he or she is authorized to enter into the terms and conditions of this Consent Decree and to execute and bind legally such Party to this document.
- 41. The Settling Parties hereby agree not to oppose entry of this Consent Decree by this Court or to challenge any provision of this Consent Decree, unless the United States has notified the Settling Parties in writing that it no longer supports entry of the Consent Decree.
- 42. The Settling Parties shall identify, on the attached signature page, the name and address of an agent who is authorized to accept service of process by mail on its behalf

with respect to all matters arising under or relating to this Consent Decree. The Settling Parties hereby agree to accept service in that manner and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable local rules of this Court, including but not limited to, service of a summons.

XXI. ATTORNEYS' FEES AND COSTS

43. With the exception of expert deposition costs, as previously agreed, the Parties agree to bear their own costs and attorneys' fees.

XXII. FINAL JUDGMENT

44. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute the final judgment between the United States and the Settling Parties. The Court finds that there is no just reason for delay and therefore enters this judgment as a final judgment under Fed. R. Civ. P. 54 and 58.

so ordered this ________, DAY OF Months, 2002

HON. STEPHEN V. WILSON United States District Judge

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THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Buena Vista Mines, Inc., et al.</u>, No. 2 CV 98-7226-SVM (R'18x), relating to the Buena Vista/Klau Mine Superfund Site, subject to the provisions of Paragraph 38 of the Decree.

FOR THE UNITED STATES OF AMERICA

Jatea:

THOMAS L. SANSONETTI

Assistant Attorney General

Environment and Natural Resources

Division

DAVID B. GLAZER

Environmental Enforcement Section Environment and Natural Resources Division

United States Department of Justice 301 Howard Street, Suite 1050 San Francisco, California 94105

MARK/A. RIGAU

Environmental Defense Section

Environment and Natural Resources
Division

United States Department of Justice 301 Howard Street, Suite 1050 San Francisco, California 94105 TOLOG TIOO FOOL OUT TE HEBITOLDY

THE UNDERSIGNED PARTIES enter into this Consent Decree in the matter of <u>United States v. Buena Vista Mines, Inc., et al.</u>, No. CV 98-7226-SVM (RNBx), relating to the Buena Vista/Klau Mine Superfund Site, subject to the provisions of Paragraph 38 of the 3 Decree. 4 4/5/2003-Dated: 5 JANE TDIAMOND 6 Director, Superfund Division U.S! Environmental Protection 7 Agency, Region IX 75 Hawthorne Street 8 San Francisco, California 94105 9 10 ALLYN L. STERN 11 Senior Counsel U.S. Environmental Protection 12 Agency, Region IX 75 Hawthorne Street 13 San Francisco, California 94105 14 15 16

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <u>United States v. Buena Vista Mines, Inc., et al.</u>, No. CV-98-7226 SVW (RNBx), relating to the Buena Vista/Klau Mine Superfund Site.

FOR DEFENDANT BUENA VISTA MINES, INC.:

Date: 6 449.2002

HAROLD J. SIAGGINI, PRESIDENT

Agent Authorized to Accept Service on Behalf of Above-signed Party:

Name:

Harold J. Biaggini

Title:

President

Address:

1148 Market Avenue

Morro Bay, California 93442

THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <u>United States v. Buena Vista Mines, Inc., et al.</u>, No. CV-98-7226 SVW (RNBx), relating to the Buena Vista/Klau Mine Superfund Site.

FOR DEFENDANT HAROLD J. BIAGGINI

Date: 6 Aug. 2002 7

HAROLD J BIAGGINI 1148 Market Avenue

Morro Bay, California

THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <u>United States v. Buena Vista Mines, Inc., et al.</u>, No. CV-98-7226 SVW (RNBx), relating to the Buena Vista/Klau Mine Superfund Site.

FOR DEFENDANT EDWARD C. BIAGGINI, III

Date: &-6-0,2

Educated Braggin III

1148 Market Avenue

Morro Bay, California 93442

THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of <u>United States v. Buena Vista Mines</u>, <u>Inc., et al.</u>, No. CV-98-7226 SVW (RNBx), relating to the Buena Vista/Klau Mine Superfund Site.

FOR THIRD-PARTY DEFENDANT COUNTY OF SAN LUIS OBISPO

Date: 8/06/02

Chair, County Board of Supervisors

Agent Authorized to Accept Service on Behalf of Above-signed Party:

Name:

Viki M. Shelby

Title:

Clerk, Board of Supervisors of the

County of San Luis Obispo

Address:

144 Monterey Street

San Luis Obispo, California 93408

Financial Documents Relied Upon Appendix A

- 1. Buena Vista Mines, Inc. corporate income tax returns for years ended December 31, 1960 through December 31, 2000
- 2. Individual income tax return (Form 1040) for Harold Biaggini for December 31, 1995 through December 31, 1999
- 3. Individual income tax return (Form 1040) for Edward C. Biaggini, III for tax years 1996-2000
- 4. 2 B Partnership income tax return (Form 1065) for the years ending December 31, 1996 through December 31, 2000
- 5. Buena Vista Mines, Inc. Detail Trial Balance for various periods from December 31, 1993 through December 31, 1999
- 6. Listing of current fair market value of various parcels of real estate owned by Harold Biaggini
- 7. Buena Vista Mines, Inc. Response to First Set of Interrogatories
- 8. Harold Biaggini loan application provided to First Bank, dated March 6, 2001 and related documents
- 9. Deposition of Harold J. Biaggini
- 10. Deposition of Edward C. Biaggini, III
- 11. Deposition of Carol Freedman

List of property owned by Buena Vista Mines, Inc.
Appendix B

1. Buena Vista Mine:

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Lot No. 37, embracing a portion of the south half of Section 33 in Township 26 South, Range 10 East, Mount Diablo Base and Meridian, in Salinas Mining District, in the County of San Luis Obispo, State of California, in the district of lands subject to sale at San Francisco, embracing 34.43 acres, more or less, and which said land is more particularly set forth and described in the patent issued therefor by the Government of the United States, and recorded in the office of the County Recorder of San Luis Obispo, State of California, in Book G, Page 360, of Patents, and reference being had to said record of said patent, a fuller and more complete description of said lands will appear, and upon which property what is known as the Buena Vista or Mahoney Ouicksilver Mine is located.

2. Klau Mine:

A portion of Lot 2, SEC 33 T26 S R10 E, Mount Diablo Meridian; Lots 3787A and 3787B within a portion of SEC 33 T 26S R10E, Mount Diablo Meridian; and the Capitola Mining Claim, the Last Chance Quartz Claim, the Santa Monica Claim, and the San Carlos Claim, within SEC 33 T26S R10E, Mount Diablo Meridian, all as further described and recorded in the office of the County Recorder of San Luis Obispo, State of California, Vol. 1328 Official Records P. 92.

3. Dodd Property:

T26S & 27 R10E LESS MINS PTN SEC 34 33 3 & 4 (750 Klau Mine Rd, Radel, Paso Robles, CA)
Assessor's Parcel No. 014-331-013

4. Mineral Rights in Assessor's Parcel No. 905-001-630

5. Property:

Assessor's Parcel No.014172001

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CERTIFICATE OF SERVICE BY MAIL

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- I, Bernice Yee, hereby certify and declare that:
- 1. I am over the age of 18 years and am not a party to this action.
- 2. I am employed by the U.S. Department of Justice and currently working at 301 Howard Street, Suite 1050, San Francisco, California 94105.
- 3. I am familiar with the office practices of the U.S. Department of Justice at the above location, including its mail processing practices.
- 4. I know that outgoing mail is deposited for collection with the United States Postal Service on the day of mailing and that overnight mail is collected from the above office location on the day of mailing.
- 5. Following the above described practices, on September 13, 2002, I caused a true copy of the foregoing CONSENT DECREE to be served upon the persons listed on the attached service list in the manner indicated.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 13, 2002, in San Francisco, California.



1	SERVICE LIST		
2			
3	For Defendants Buena Vista Mines, Inc.; Harold Biaggini, and		
4	Edward Biaggini		
. 5	Shaunna Sullivan, Esq. By U.S. Mail		
6	Claire M. Corcoran Sullivan & Associates		
7	2238 Bayview Heights Drive Suite C		
8	Los Osos, California 93402		
9			
10	Crowell & Moring LLP 2010 Main Street, Suite 1200		
11	Irvine, California 92614		
12	R. Timothy McCrum, Esq. By Overnight Mail		
13	Crowell & Moring LLP 1001 Pennsylvania Avenue, N.W.		
14	Washington, D.C. 20004		
15	For Third-Party Defendant County of San Luis Obispo		
16	Albert M. Cohen, Esq. Christopher G. Foster, Esq. By Overnight Mail		
17	Smiland & Khachigian 601 West Fifth Street		
18	Seventh Floor		
19	Los Angeles, CA 90071-1010		
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UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA



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To:

Name:

David Glazer

Company:

301 Howard St, Ste 1050, San Francisco, CA 94501-0000

City/State: Fax Number:

415-744-6476

Fax Notes:

Case 2:98-CV-07226 : USA V. BUENA VISTA MINE

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